

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
(LETTERHEAD - ADDRESS)

3104 (Office Code)

BLM Bond No

Memorandum

To State Director, (Fluid Leasing Adjudication Code)
From Authorized Officer, (Field Office Operations)
Subject Increased Bond Requirement for Lease (Serial No.)

The (Name) District Office/Resource Area Office/Forest Service Office requests a minimum bond amount of \$(Total amount required) for lease (Serial No.). This increase in bond coverage from \$(Existing bond amount) to \$(Total amount required) is requested for the following reasons (indicate specific reasons for requiring the increased bond amount, for example):

1. An existing well is located (legal description). Testing and/or resumption of production of this well could result in (describe consequences).
2. Preliminary verbal cost estimates from a consultant indicate that plugging of the well would require \$(Amount).
3. Fish and wildlife organizations have expressed great concerns about any oil and gas development within the reservoir. It is anticipated that these environmental concerns would result in additional restrictions and other costly preventive measures associated with any activities at this site.
4. The \$(Total amount required) bond is needed to offset Government expenses in case the operator should relinquish the lease without plugging and abandoning the well, especially due to the sensitive environment of this lease.
5. The (Name) Forest Service Supervisor has recommended an increase in the amount of the bond due to the fragile and unique environmental features within the cite described in the surface use plan of operations. See the attached copy of the justification provided by the FS Minerals staff.

Attachment

Distribution:
Forest Service Office as applicable